

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF SOUTH CENTRAL INDIANA
RURAL ELECTRIC MEMBERSHIP CORPORATION
HELD OCTOBER 4, 2018**

The Regular Meeting of the Board of Directors of South Central Indiana Rural Electric Membership Corporation was held pursuant to notice as required by the Bylaws at the principal office of the Cooperative, 300 Morton Avenue, Martinsville, Indiana on Thursday, October 4, 2018, at 5:30 p.m.

The following Directors were present: Mark Smith, Jerry W. Pheifer, Jim Cox, Lisa Prosser, Rex Franklin, Stephen Williamson, Bruce Hamlin, and Jim Koch. Director Heather Mollo was absent. Others in attendance were Michael Schultz, General Counsel; James Tanneberger, President & CEO; and Stacey Sauer, Executive Assistant.

Director Rex Franklin opened the meeting with prayer. The Chairman then asked if there were any amendments or corrections to the minutes of the Regular Board of Directors' Meeting held August 16, 2018. There were no corrections and upon a motion by Mr. Williamson and seconded by Mr. Cox, the minutes of the Regular Board of Directors' Meeting held August 16, 2018, were approved.

Safety Report: Mr. Tanneberger reviewed the Safety Report for the month and asked if there were any questions regarding the same. Director Jim Koch asked for an explanation of the tap root investigation process. Mr. Tanneberger explained the process to the Board.

Financial Report: Mr. Tanneberger asked if there were any questions regarding the financial reports and write-off to bad debt. Following discussion, Ms. Prosser made a

motion to accept the financial reports and write-off to bad debt in the amount of \$7,260.

The motion was seconded by Mr. Williamson and passed.

SCI Fiber: Mr. Tanneberger discussed the fiber project including finalizing of contracts and agreements with regard to pole contacts, leasing of the Rogers Building, personnel, and competition in areas within phase 2 of the fiber project.

Committee Meetings:

Electric Vehicle and Emerging Technologies Committee: A meeting of the Committee was held on August 21, 2018. The Committee discussed electric vehicles, charging stations, and other emerging technologies.

Unfinished Business: Mr. Tanneberger reported that a summary of the CEO goals for 2018 (with updates in red) is included in the Board Report.

The Strategic Planning key items are included in the Board Report and are updated as the items progress.

The group discussed the recent Annual Meeting held in August. Overall the meeting was very successful with few complaints. It was suggested to consider moving the meeting back to Martinsville.

The updated 2019 Budget Schedule and 2019 Board Meeting Schedule was included in the Board Report.

A section of the Cooperative Governance Task Force Report discussing Director Nominations was included in the Board Report. Mr. Tanneberger asked if there were any questions or comments regarding the report. The complete Governance Task Force Report is included in the Resource Center of Diligent Books.

New Business: The Voting Delegate and Alternate Delegate to the Indiana Electric Cooperatives Annual Meeting were then considered by the Board. Mr. Pheifer made a motion appointing Rex Franklin to serve as the Delegate and Lisa Prosser as the Alternate Delegate to the Indiana Electric Cooperatives Annual Meeting in December. The motion was seconded by Mr. Cox and passed.

The Board then considered nominations for the Indiana Electric Cooperatives director position for 2019. Mr. Williamson made a motion to appoint Jim Cox as SCI's Indiana Electric Cooperatives Director. The motion was seconded by Mr. Franklin and passed.

The Board was reminded that the Indiana Electric Cooperative Director Training for 2019 was included in the Board Report.

Mr. Tanneberger discussed the 2018 Hoosier Energy Annual Bill Comparison Survey of the cooperatives served by Hoosier Energy. The Directors suggested various rate scenarios be considered in the Cost of Service Study to be conducted yet this year.

The 2017-2018 Member Satisfaction Survey was then discussed by the Board. The President/CEO and Board discussed ways to improve customer satisfaction and perception. The Board was also reminded of the "Co-op Conversations" member meeting to be held on October 16, 2018.

The Board then conducted the annual election of Board Officers. Nominations were made by secret ballot. Ultimately the officers were selected as follows:

Chair	Bruce Hamlin
Vice Chair	Jim Cox
Secretary/Treasurer	Jerry Pheifer

Attorney's Report: Mr. Schultz reviewed proposed amendments to board policies as follows:

Board Policy No. 3-12 – Nepotism: Following review of the policy, it was tabled for further clarification.

Board Policy No. 4-25 – Delinquent Account Collection Procedures: Following review of the proposed amendments to the policy, Ms. Prosser made a motion to approve the policy as amended. The motion was seconded by Mr. Cox and approved.

Board Policy No. 4-28 – Identity Theft Red Flags Prevention Policy: Following discussion of the policy, it was tabled for further review in reference to SCI providing fiber.

Mr. Schultz further reported on various ongoing projects related to the fiber project.

President & CEO's Report: Mr. Tanneberger gave the President and CEO's report for the month first asking if there were any questions regarding the written report. It was noted that the outage report listing outages by Board District was no longer included in the report. Directors asked that it be included in future Board Reports. He then discussed meetings attended and answered the Directors' questions.

Thereafter, Mr. Cox made a motion to accept the President and CEO's Report. The motion was seconded by Mr. Pheifer and passed.

Indiana Electric Cooperatives: Mr. Tanneberger reported that a Special Meeting of the Indiana Electric Cooperatives Board was held to discuss the new CEO search.

Miscellaneous: Mr. Hamlin discussed Owen County Chamber of Commerce and the Business Retention and Expansion Meetings reporting on the expansion of local businesses and the growing housing concerns within Owen County and potential impact for SCI.

The Board considered a donation to the Blue Ribbon Auction held during the Indiana Electric Cooperatives Annual Meeting to benefit the Ronald McDonald House. Following discussion, Mr. Pheifer made a motion to donate \$500 for the auction. The motion was seconded by Mr. Williamson and approved.

The Board then discussed Diligent Messenger (a messaging program within Diligent Books). Director Mark Smith will obtain further information for the October 25 Board Meeting.

There being no further business to come before the Board, the meeting adjourned to an Executive Session of the Board.

Bruce Hamlin, Chairman

ATTEST:

Jerry W. Pheifer, Secretary